

AMENDED IN ASSEMBLY APRIL 14, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

## ASSEMBLY BILL

No. 672

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**Introduced by Assembly Member Bass  
(Principal coauthor: Assembly Member Blumenfield)**

February 25, 2009

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~~An act relating to economic stimulus. An act to add Section 8879.501 to the Government Code, relating to transportation.~~

### LEGISLATIVE COUNSEL'S DIGEST

AB 672, as amended, Bass. ~~Economic stimulus. Transportation: bond-funded projects: letter of no prejudice.~~

*Existing law, the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, authorizes the issuance of \$19.925 billion of general obligation bonds for various transportation purposes. Existing law designates the state agency responsible for programming bond funds under the act as the administrative agency for those purposes.*

*This bill would authorize a regional or local agency that is a lead agency for a project that has been approved for bond funding to apply to the administrative agency for a letter of no prejudice that would allow the regional or local agency to expend its own funds for any component of the project, subject to later reimbursement from bond proceeds, as specified.*

~~Under existing law, the Department of Community Services and Development is authorized to apply for, administer, and oversee federal block grant funds and to perform various functions, including promulgating regulations, negotiating and executing contracts necessary or convenient for the exercise of its responsibilities, powers, and~~

functions, and ensuring that federal and state standards of programmatic performance and fiscal accountability are met.

~~This bill would state the intent of the Legislature to enact legislation to ensure that any economic stimulus moneys received from the federal government are directed to programs and projects that provide the greatest economic benefit to the state, while maintaining and advancing the state's long-term policy goals.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     *SECTION 1. It is the intent of the Legislature in enacting this*  
2     *act to enhance the ability of regional and local government entities*  
3     *to deliver critical transportation capital improvement projects in*  
4     *an expeditious manner.*

5     *SEC. 2. Section 8879.501 is added to the Government Code,*  
6     *to read:*

7     *8879.501. (a) A regional or local agency that is a lead*  
8     *applicant agency for a project that has been approved for funding*  
9     *pursuant to Chapter 12.49 (commencing with Section 8879.20)*  
10    *may apply to the administrative agency for a letter of no prejudice*  
11    *for the project. If approved by the administrative agency, the letter*  
12    *of no prejudice shall allow the regional or local agency to expend*  
13    *its own funds for any component of the project.*

14    *(b) A project may be considered for a letter of no prejudice and,*  
15    *upon issuance of the letter of no prejudice, shall be eligible for*  
16    *reimbursement under this section if all of the following apply:*

17    *(1) The project is included in an adopted regional transportation*  
18    *plan.*

19    *(2) An allocation for the project is made pursuant to Chapter*  
20    *12.49 (commencing with Section 8879.20).*

21    *(3) The expenditures made by the regional or local agency are*  
22    *eligible for reimbursement in accordance with state and federal*  
23    *laws and procedures. If expenditures made are determined to be*  
24    *ineligible, then the state has no obligation to reimburse for those*  
25    *expenditures.*

26    *(4) The regional or local agency complies with all legal*  
27    *requirements for the project, including the requirements of the*

1 *California Environmental Quality Act (Division 13 (commencing*  
2 *with Section 21000) of the Public Resources Code).*

3 *(c) The amount expended by the regional or local agency*  
4 *pursuant to this section shall be promptly reimbursed by the state*  
5 *from proceeds of the bonds sold pursuant to Chapter 12.49*  
6 *(commencing with Section 8879.20).*

7 *(d) The administrative agency, in consultation with regional*  
8 *and local agencies, may develop guidelines to implement this*  
9 *section.*

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11 ~~legislation that ensures that any economic stimulus moneys~~  
12 ~~received from the federal government be directed to programs and~~  
13 ~~projects that provide the greatest economic benefit to the state;~~  
14 ~~while maintaining and advancing the state's long-term policy goals.~~